

EN BANC

[G.R. No. 142760, August 06, 2002]

BASES CONVERSION DEVELOPMENT AUTHORITY, PETITIONER, VS. COMMISSION ON AUDIT, RESPONDENT.

D E C I S I O N

SANDOVAL-GUTIERREZ, J.:

The present petition for certiorari^[1] seeks to set aside the Commission On Audit (COA) Decision No. 99-057 dated March 23, 1999 and Resolution No. 2000-89 dated March 7, 2000, for having been issued with grave abuse of discretion amounting to lack of jurisdiction.

The Bases Conversion Development Authority (BCDA), petitioner, was created as a government corporation on March 13, 1992 by virtue of Republic Act (R.A.) 7227.^[2] It is tasked mainly to manage the Clark and Subic military reservations/camps and their extensions and to adopt and implement a comprehensive development plan for their conversion into productive uses, with a view to promoting the economic and social development of the country.^[3] Its funding would come from the proceeds of the sale of certain military camps, including all lands covered by Proclamation No. 423, series of 1957, commonly known as the Fort Bonifacio and Villamor (Nichols) Air Base.^[4]

The policy-making body of BCDA is the nine-member Board of Directors (Board) appointed by the President of the Philippines with the consent of the Commission on Appointments.^[5] Among the powers and functions of the Board is to "determine the organizational structure of the BCDA, define the duties and responsibilities of all officials and employees and **adopt a compensation and benefit scheme at least equivalent to that of the Central Bank of the Philippines.**"^[6] It is this compensation and benefit scheme adopted by the Board that is the subject of this case.

Pursuant to the mandate of its charter, the BCDA Board granted its officers and employees several benefits, among which are the (1) Loyalty Service Award for 1995, (2) Children's Allowance, (3) Anniversary Bonus, and (4) 8th step salary increment effective January, 1995. The allocation for these benefits and allowances was taken from the operating budget of the BCDA and incorporated in its corporate budget.^[7]

On May 22, 1996, State Auditor Nida M. Blanco of the COA, disallowed in audit the Loyalty Service Award for 1995, the Children's Allowance for the period January to December of 1995, the Anniversary Bonus for 1995, and the 8th step salary increase effective January, 1995, for being excessive and/or illegal and not in accordance with the Central Bank benefit package. The COA disallowed those benefits after it sought the opinion/comment of the Department of Budget and Management (DBM) on the matter:

The details of the disallowance are as follows:

DATE	CHECK NO.	PAYEE	AMOUNT	PERSONS	FACTS AND/OR REASONS
			DISALLOWED	LIABLE	FOR DISALLOWANCE
12-28-95	JV0517305	Various BCDA Employees	P 85,000.00	BCDA	<p>Loyalty Service Award were given to employees Employees Who who have not yet reached Received the required minimum of Loyalty ten (10) years in Service government service, and Award the amounts granted are for Cy not in accordance with the 1995 Central Bank (CB) benefit package.</p> <p>Allowable amounts are as follows</p> <p>1,200.00 – for the first ten years.</p> <p>1,300.00 – for the next 5 years or total of 15 years</p> <p>1,400.00 – for the next 5 years or total of 20 years</p>
12-20-95	JV0517304	Various BCDA Employees	P 53,754.00	BCDA Employees Who Received Children's Allowance For the Period Jan. - Dec., 1995	<p>Management granted Children's Allowance of P100.00 per child which is P70.00 more than what is allowed under CB benefit package.</p>

The amount of disallowance is computed as follows:

Amount disbursed (P100.00/dep.) - P76,554.06

Amount Allowed (P30/dep.) - 22,800.00

Amount Disallowed P53,754.00

11- JV5979182 Various P 85,000.00
14-95 BCDA Employees

BCDA Employees Who received An Anniversary Bonus for Cy 1995
BCDA Management granted Anniversary Bonus of Employees Who Received which is P1,200.00 more An than CB's benefit package.

Disallowance is computed as follows:

Amount Disbursed @ P3,000.00 - P213,000.00
Amt. Allowed P1,800.00-127-800.00 for Disallowance P85,000.00

12- JV0517303 Various P 346,703.56
13-95 BCDA Employees

BCDA Employees Who received an 8-step increment
The grant of an 8-step increment effective January, 1995 has no legal basis. Received Only those under an 8-step SG 30